

NALCAB Roundtable/Practitioner Session: Event Format and Prep:

This session for NALCAB practitioners will take place before the official start of the Summit. Many of the practitioners in the session may apply for the BCCI.

NALCAB envisions that this 60-minute session will focus on the BCCI as well as a new initiative coming out of the Consumer Financial Protection Board (CFPB).

After an introduction by NALCAB, agency principals will be asked to speak briefly to the group of practitioners about the two key initiatives (10 minutes per initiative, speaking in broad strokes). Participants will then move into listening sessions with agency principals – one listening session will focus on the BCCI, while the other will focus on the CFPB initiative. Each listening session will have a NALCAB facilitator.

In terms of our goals for the BCCI listening session, from our perspective, the BCCI program staff team would be interested in:

- practitioner insights on how the small amount of flexible BCCI funding may help them secure other funding to advance their work; and
- feedback on issues or barriers within the program as it is currently structured.

We also see the session as an opportunity to provide information on other programs that may serve these needs, as appropriate.

All information discussed about the HUD component of BCCI must be made available to the general public at the same time. Therefore principals are asked to discuss only information contained in the program summary and the Frequently Asked Questions documents, both of which are posted on the program website and enclosed here.

HUD will post a new set of answers to questions that are asked at the practitioner session after the Summit. In addition, interested practitioners should feel free to send questions to bcci@hud.gov for direct responses. They can also ask to be notified by email when new information is posted, including the NOFA for the funding competition.

Background on the BCCI for the NALCAB Roundtable/Practitioner Session

White House Rural Council:

BCCI is one of a series of initiatives delivered through the [White House Rural Council](#). The interagency Council was launched by President Obama last August to help create jobs and expand opportunities in rural communities.

Rationale and program focus:

HUD, the CDFI Fund and USDA-Rural Development are collaborating to increase access to capital in the U.S./Mexico border region.

All three agencies have determined that lack of implementation capacity in isolated, persistent poverty communities is a challenge to effective federal program delivery. Lack of consistent resource availability limits program growth and development project funding, as well as staffing.

Access to capital, both public and private, was called out by nonprofit leaders in several listening sessions in 2010, including NALCAB's 2010 Border Summit.

With very little funding available, BCCI aims to provide flexible resources to organizations to invest in capacities (specialized staff, information systems, market studies, portfolio analysis and other uses) that enable them to attract other public and private sources of capital.

Targeting:

BCCI activities must ultimately benefit residents of *colonias* as defined under the Cranston-Gonzales National Affordable Housing Act, although the activities funded may take place outside those communities.

This aligns BCCI with other HUD and federal programs for housing, infrastructure and community facilities, consistent with the goal of building capacity for more effective use of those funds.

Agency roles:

HUD will:

- Make grants available to community development lenders and investors serving *colonias* and *colonias* residents, pursuant to a Notice of Fund Availability; and
- Evaluate the outcomes of the BCCI in relation to other HUD grant-making approaches.

The CDFI Fund will:

- Provide scholarships for Border Initiative grantees, allowing staff to attend CDFI Fund sponsored training workshops.
- Provide BCCI grantees with technical assistance opportunities.
- Sponsor webinars specific to the needs of Border Initiative grantees.

USDA-Rural Development will:

- Where appropriate and permitted under program regulations, make efforts to award points in relevant program areas for BCCI grantees.
- Engage other entities of USDA to assess capacity of BCCI grantees to help deliver programs supporting production agriculture businesses and business activities promoting fresh food access and distribution in the border region, and other policy priorities.

Anticipated questions during the practitioner roundtable:

1. Will the investment in this strategy grow?
 - We are investing in organizations that are in the business of assembling capital for reinvestment in affordable housing, small business and community facilities. We hope that helping to increase their capacity will increase capital flow to the region.
 - We are using recaptured RHED funding, not a new appropriation, so future funding from this source is very limited. We may adapt the strategy for other underserved rural areas of the country.
 - However, BCCI will be part of an evaluation of HUD's rural competitive grant programs. To the extent this program approach shows results, we may consider future budget proposals.
2. There may be some conversation about investments in colonias formed after 1990 and "urban colonias" those neighborhoods that are effectively colonias but technically inside of city boundaries.
 - "Urban colonias" would be eligible if they are located in places (such as McAllen) which are not located in MSAs of greater than 1 million.
 - We have aligned with the Cranston-Gonzales definition to align with other federal program set-asides and maximize leverage for these investments.
 - While BCCI funds should benefit residents of pre-1990 colonias, we expect that grantee organizations will serve broader areas.
3. There is an interest in cross border collaboration on community development issues beyond the NAD bank investments.
 - While our funding must benefit residents of US colonias, we would be interested in hearing more specifics on the types of opportunities that practitioners feel exist for cross-border investment.
4. There is a need to support basic operating costs for colonia-based organizations. The BCCI focuses on more sophisticated strategies, so what advantage of opportunity is there for organizations in colonias. Will partnerships with these organizations be viewed as a priority in the NOFA, or will direct employment of colonia residents be viewed as a priority?
 - Our hope is that by investing in the capacity of organizations that lend and invest in housing, community and economic development activities that benefit colonia residents, we will increase the flow of capital to organizations that produce housing and other benefits for those residents, including colonia-based organizations.
 - Applicants for BCCI should propose the methodology that they feel will be most effective in reaching their beneficiaries.